



(253) 284-3838

HOME PRESERVATION: CAN THEY CHANGE THE LOCKS AND WINTERIZE MY HOME?

We receive a consistent number of calls from sellers that are in default with their lenders who have moved from their property or the property is temporarily vacant between tenants. "They have broken into my home and changed the locks! Can they do this?"

Lenders are experiencing a tremendous number of people throughout the country who are abandoning their homes. They are walking away. They are "leaving the keys on the kitchen counter."

Lenders are concerned about their collateral. They don't want transients to move in. They don't want frozen pipes. They don't want damage or looting of the property. In reality, we can all understand that.

Over the last couple of years, Lenders have hired companies that are retained to inspect houses that are vacant and to take appropriate actions to secure the property and make certain that any potential damage to the property is minimized. They do not contact the borrower ahead of time. They take action and report to the lender what they have done. Sellers get nervous and upset. Sellers certainly have a right to get upset and concerned.

In our practice, we experience this quite often. If the property is listed, we find that many of these inspection companies will contact the listing agent and coordinate actions including putting a new key in the lock box. In these cases, the stress to the homeowner is somewhat eliminated. In this severe market crisis, we are finding that lenders, in some instances, are being too aggressive and may be going beyond their legal rights.

In short, Lenders do have a legal right to do it so in some instances, but they must not overstep their bounds and take actions that go beyond just securing their collateral. However, in other cases, the homeowner is surprised to see a posting on the property and they find themselves unable to get into the house because the locks have been changed.

We find that most lenders will immediately mail keys to the real estate professionals or to the owner so that further marketing activity can occur. Hired contractors always leave written information about what actions are being taken at the foreclosure property at the time of the property inspection.

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